

**San Bernardino Sexual Assault Services, Inc.**  
**Financial Statements and Auditors' Report**  
Year Ended June 30, 2008

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>I. INDEPENDENT AUDITORS' REPORT</b>	1
<b>II. FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	6 - 10
<b>III. SUPPLEMENTARY FINANCIAL INFORMATION</b>	
Schedule of Departmental Expenses	11 - 13
Schedule of OES Expenses - RC07271025	14
Schedule of OES Expenses - SA06031025	15
Schedule of OES Expenses - RC07051025	16
Schedule of OES Expenses - RC07A51025	17

*FAKED*

*Report on Internal Control - Financial Statements...*

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
San Bernardino Sexual Assault Services, Inc.  
San Bernardino, California

We have audited the accompanying statement of financial position of the San Bernardino Sexual Assault Services, Inc. (the Organization), a nonprofit corporation, as of June 30, 2008, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Bernardino Sexual Assault Services, Inc. as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2009 on our consideration of the San Bernardino Sexual Assault Service's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 11 - 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Teaman Ramirez & Smith*

January 14, 2009

**San Bernardino Sexual Assault Services, Inc.**  
**Statement of Financial Position**  
June 30, 2008

**ASSETS**

Current Assets:

Cash (Note 1)	\$ 137,183
Grants Receivable (Note 2)	255,783
Unconditional Promises to Give:	
United Way Allocation (Note 1)	30,000
Prepaid Expenses	11,533
Deposits	6,902

Total Current Assets	441,401
----------------------	---------

Property and Equipment (Note 3)

Office Equipment	55,084
Less: Accumulated Depreciation	(44,845)

Net Property and Equipment	10,239
----------------------------	--------

Total Assets	\$ 451,640
--------------	------------

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts Payable	\$ 27,985
Accrued Vacation Liability (Note 1)	28,600
Accrued Payroll Liabilities	46,204
Grants Payable	34,572
Deferred Grant Revenue (Note 4)	46,082

Total Current Liabilities	183,443
---------------------------	---------

Net Assets:

Unrestricted	238,197
Temporarily Restricted (Note 1)	30,000

Total Net Assets	268,197
------------------	---------

Total Liabilities and Net Assets	\$ 451,640
----------------------------------	------------

The accompanying notes are an integral part of this statement.

**San Bernardino Sexual Assault Services, Inc.**

**Statement of Cash Flows**

Year Ended June 30, 2008

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in Net Assets	\$ 16,088
Adjustments to Reconcile the Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,942
(Increase) Decrease in Grants Receivable	(69,126)
(Increase) Decrease in Unconditional Promises to Give	7,000
(Increase) Decrease in Prepaid Expenses	(5,002)
Increase (Decrease) in Accounts Payable	(22,493)
Increase (Decrease) in Accrued Vacation Liability	1,860
Increase (Decrease) in Accrued Payroll Liabilities	12,320
Increase (Decrease) in Grants Payable	34,572
Increase (Decrease) in Deferred Grant Revenue	13,545
	<hr/>
Net Cash Provided by (Used In) Operating Activities	(5,294)
	<hr/>
Net Increase (Decrease) In Cash	(5,294)
	<hr/>
Cash - Beginning of Period	142,477
	<hr/>
Cash - End of Period	\$ 137,183
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**San Bernardino Sexual Assault Services, Inc.**  
**Notes to Financial Statements**  
**Year Ended June 30, 2008**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General:** San Bernardino Sexual Assault Services, Inc. (SBSAS) provides counseling and support services to victims of sexual abuse, and a rape crisis hotline in the Inland Empire.

**Revenue:** Revenues are received primarily from government grants (80%) and United Way (3%). Other sources are direct contributions, in-kind contributions and special events.

**Tax Status:** The San Bernardino Sexual Assault Services, Inc. is identified by the IRS as a 501 (c)(3) tax exempt organization. SBSAS is exempt from state income tax under Section 23701D of the California Revenue and Taxation Code. The IRS classifies SBSAS as other than a private foundation.

**Accounting Basis:** SBSAS is a voluntary health and welfare organization and maintains its accounting records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents:** For purposes of the statements of cash flows, the Organization considers all cash and highly liquid investments available for current use with an initial maturity of three months or less to be cash.

The Organization periodically throughout the year has maintained balances in various bank accounts in excess of federally insured limits.

**Contributions:** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted resources whose restrictions are met in the same reporting period are reported as unrestricted resources. The Organization has received United Way allocations in the amount of \$30,000, which are restricted for the next fiscal year and are shown as temporarily restricted on the financial statements.

**Property and Equipment:** Furniture and equipment are carried at cost or, if donated, at estimated fair market value at date of donation. Depreciation is provided on the straight-line method over the estimated useful life of the asset. It is the Organization's policy to capitalize all assets purchased that cost \$2,500 or more.

**Compensated Absences:** A liability has been accrued for all employee vacation time, which has been earned but not paid, and is included in the Statement of Financial Position.

**Functional Allocation of Expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**San Bernardino Sexual Assault Services, Inc.**  
**Notes to Financial Statements**  
Year Ended June 30, 2008

**4) DEFERRED GRANT REVENUE**

Contract revenue received in advance is deferred and recognized in the period in which it is expended. The Organization recognized deferred revenue from the following agencies:

Catholic Healthcare West Community	\$ 37,934
Other Grants	<u>8,148</u>
Total	<u>\$ 46,082</u>

**5) GOVERNMENT GRANTS**

Government grants represent activities conducted under grants or contracts from the following agencies:

Office of Emergency Services, State of California (RC07271025)	\$ 254,152
Office of Emergency Services, State of California (SA06031025)	8,868
Office of Emergency Services, State of California (RC07051025)	130,466
Office of Emergency Services, State of California (RC07A51025)	189,390
San Bernardino County Department of Behavioral Health	29,279
San Bernardino City Economic Development Agency (City Block Grant)	16,000
Barstow Community Development Block Grant (San Bernardino County)	392
Redlands Community Development Block Grant (San Bernardino County)	4,186
Yucaipa Community Development Block Grant (San Bernardino County)	10,237
Victorville Community Development Block Grant	4,933
Apple Valley Community Development Block Grant	3,896
California Department of Health Services	<u>167,490</u>
Total	<u>\$ 819,289</u>

**6) CONCENTRATION OF RISK**

Currently, there exists a concentration of risk in that the majority of income is derived from grant revenues. In light of governmental cutbacks of programs at all levels, loss of certain grant monies could have a significant effect on the San Bernardino Sexual Assault Services, Inc.'s operations.

**7) RETIREMENT PLAN**

SBSAS has established a 403(b)(7) tax sheltered custodial account retirement plan.

**Plan Description:** A participant's account shall include the participant's elective deferral account and the participants employer contribution account, (based on approved budget from the Board of Directors).

**Employee Group Covered:** All employees who qualify as full time workers, (excludes contract workers), and have met their probation period with the Organization.

**San Bernardino Sexual Assault Services, Inc.**  
**Notes to Financial Statements**  
Year Ended June 30, 2008

**9) DONATED SERVICES AND FACILITIES - Continued**

SBSAS has volunteers who answer the crisis hotline at the Organization after office hours. Volunteers are required to take specialized training. The volunteer hours are recorded as an in-kind contribution in the financial records between rates of \$10 to \$12.50 per hour. The total in-kind revenue and expense from donated services for the year ended June 30, 2008 was \$87,893.

SBSAS has donated facilities in the cities of Redlands and Yucaipa, in which the Organization is not required to pay rent or utilities. The donated facilities are recorded as an in-kind contribution in the financial records for the amount of \$350 per month per facility. Estimated total in-kind contributions from donated facilities for the year amounted to \$15,600.

## **SUPPLEMENTARY FINANCIAL INFORMATION**



This page intentionally left blank

Yucaipa CDBG #07	United Way #08	OES SA06031025 #10	Apple Valley CDBG #11	Victorville CDBG #12	Catholic Healthcare West #13	Other #1, #15 & #16
\$ 7,349	\$ 31,919	\$ 8,215	\$ 2,371	\$ 4,584	\$ 14,864	\$ 17,472
538	2,343	608	170	349	1,090	820
20	1,133		20			
	1	45				530
						38,905
7,907	35,396	8,868	2,561	4,933	15,954	57,727
					1,419	5,942
700			210			
348			325			
						70
944	401					
	5					
	1,533		800		2,229	640
						15,600
338						
2,330	1,939	0	1,335	0	3,648	22,252
\$ 10,237	\$ 37,335	\$ 8,868	\$ 3,896	\$ 4,933	\$ 19,602	\$ 79,979

Continued

**San Bernardino Sexual Assault Services, Inc.**

**Schedule of OES Expenses - RC07271025**

Year Ended June 30, 2008

Contract Period: July 2007 to June 30, 2008

		Actual			
			7/1/2007		
	Through	Through		Over (Under)	
	6/30/2007	6/30/2008	Total	Budget	
Budget					
Personnel Services	\$ 186,332	\$ 186,332	\$ 186,332	\$ 0	
Operating Expenses	79,118	79,118	79,118	0	
<b>TOTAL</b>	<b>\$ 265,450</b>	<b>\$ 265,450</b>	<b>\$ 265,450</b>	<b>\$ 0</b>	

Cash Expenses Reported	\$	\$ 254,152	\$ 254,152
In-Kind Expenses (Volunteer Hours)		11,298	11,298
<b>TOTAL EXPENSES</b>	<b>\$ 0</b>	<b>\$ 265,450</b>	<b>\$ 265,450</b>

**Cash Analysis:**

Grant Revenue Earned (Excluding In-kind)	\$	\$ 254,152	\$ 254,152
Cash Received During Fiscal Year		(189,555)	(189,555)
<b>GRANT RECEIVABLE (PAYABLE)</b>	<b>\$ 0</b>	<b>\$ 64,597</b>	<b>\$ 64,597</b>

**San Bernardino Sexual Assault Services, Inc.**

**Schedule of OES Expenses - RC07051025**

Year Ended June 30, 2008

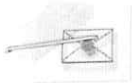
Contract Period: July 1, 2007 to June 30, 2008

		Actual			
			7/1/2007		
	Budget	Through 6/30/2007	Through 6/30/2008	Total	Over (Under) Budget
Personnel Services	\$ 116,444	\$	\$ 116,422	\$ 116,422	\$ (22)
Operating Expenses	37,938		37,938	37,938	-
<b>TOTAL</b>	<u>\$ 154,382</u>	<u>\$ 0</u>	<u>\$ 154,360</u>	<u>\$ 154,360</u>	<u>\$ (22)</u>

Cash Expenses Reported	\$	\$ 130,466	\$ 130,466
In-Kind Expenses (Volunteer Hours)		23,894	23,894
<b>TOTAL EXPENSES</b>	<u>\$ 0</u>	<u>\$ 154,360</u>	<u>\$ 154,360</u>

**Cash Analysis:**

Grant Revenue Earned (Excluding In-kind)	\$	\$ 130,466	\$ 130,466
Cash Received During Fiscal Year		(67,730)	(67,730)
<b>GRANT RECEIVABLE (PAYABLE)</b>	<u>\$ 0</u>	<u>\$ 62,736</u>	<u>\$ 62,736</u>



Rebecca Smart/OES

05/19/2009 10:51 AM

To "Tracy Smith" <sbsas.tsmith@verizon.net>

cc

bcc

Subject RE:

Good news, then I will wait to hear from you.  
Thank you,

Becky Smart, Criminal Justice Specialist  
California Emergency Management Agency  
Local Assistance & Monitoring Branch  
Ph# (916) 845-8102  
FAX# (916) 845-8380  
"Tracy Smith" <sbsas.tsmith@verizon.net>



"Tracy Smith"  
<sbsas.tsmith@verizon.net>

To <Rebecca.Smart@oes.ca.gov>

05/19/2009 10:41 AM

cc

Subject RE:

*5/28/09  
Emailed T Smith  
can't reach Auditor  
B*

I sent a request to our Auditor and Management Consultant so they can e-mail a copy and I will forward it to you.

Tracy Smith,  
Office Manager  
San Bernardino Sexual Assault Services  
Office (909) 885-8884  
Fax (909) 383-8478  
sbsas.tsmith@verizon.net

-----Original Message-----

From: Rebecca.Smart@oes.ca.gov [mailto:Rebecca.Smart@oes.ca.gov]  
Sent: Monday, May 18, 2009 2:11 PM  
To: Tracy Smith  
Subject: Re:

Tracy,  
It is part of what I need. I still need the auditor's schedule of findings for Prior Year (2007) with status, and I need the summary of the auditor's results for 2008. This section is commonly named "Schedule of Findings and Questioned Costs" and will tell you if the auditor issued a Qualified or Unqualified Opinion,

Thank you,

Becky Smart, Criminal Justice Specialist  
California Emergency Management Agency  
Local Assistance & Monitoring Branch  
Ph# (916) 845-8102  
FAX# (916) 845-8380

Tracy Smith  
<sbsas.tsmith@verizon.net>

To  
<rebecca.smart@calema.ca.gov>

05/18/2009 01:44  
PM

cc

Subject

III

Board of Directors  
San Bernardino Sexual Assault Services, Inc.  
San Bernardino, California

**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

We have audited the financial statements of the San Bernardino Sexual Assault Services, Inc. (the "Organization") as of and for the year ended June 30, 2008, and have issued our report thereon dated January 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered San Bernardino Sexual Assault Services, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weakness. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We considered the deficiencies described in the accompanying schedule of findings 2008-1 and 2008-2 as significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe, that none of the significant deficiencies described above is not a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Bernardino Sexual Assault Services, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Jeannan Ramirez & Smith*

January 14, 2009

**San Bernardino Sexual Assaults Services, Inc.**  
**Schedule of Findings**  
Year Ended June 30, 2008

(2008-1)  
Fixed Asset Capitalization Policy

*Finding:*

We noted that the Organization does not have a set policy for capitalization of fixed assets. Consequently, the treatment of property additions and repairs and maintenance is not consistent. The Organization's records reflect a number of clearly immaterial items that have been capitalized in the past. The items require the same amount of recordkeeping by the Organization regardless of the size of the transaction.

*Recommendation:*

We recommend that management establish a policy whereby all property purchases over a certain dollar threshold (such as \$5,000 and that have a useful life of one year or more be capitalized. Purchases costing less than the established amount or that have a useful life of less than one year should be expensed, since the cost of maintaining depreciation records for such items would exceed the benefits. The Organization should document the capitalization policy and communicate it to those who code property invoices to ensure the policy is consistently followed.

(2008-2)  
Retirement Payable

*Finding:*

During our review of payroll, we noted that the Organization has been carrying forward a balance in retirement payable of \$ 33,279.45 since 2004.

*Recommendation:*

We suggest the Organization to start paying off the liability each year so that it does not continue growing and eventually be off their books.